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United States General Accounting Office

GAO

Report to the Honorable Bill McCollum
House of Representatives

June 1986

VA HEALTH CARE

Insufficient Support for Brevard County Location for New Florida Hospital

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

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June 4, 1986

The Honorable Bill McCollum
House of Representatives

Dear Mr. McCollum:

This report presents the results of our evaluation of the criteria and data used by Veterans Administration (VA) Medical District 12 officials in 1983 to select Brevard County as the location for a new VA hospital in east central Florida. As requested by your office, our work did not address whether such a hospital was necessary to provide care to Florida veterans.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 5 days from its issue date. At that time, we will send copies to interested congressional committees; the Director, Office of Management and Budget; the Administrator of Veterans Affairs; and other interested parties and will make copies available to others on request.

Sincerely yours,

Richard L. Fogel

Richard L. Fogel
Director

Executive Summary

Purpose

In June 1983, Veterans Administration (VA) Medical District 12 recommended that 1,525 additional VA hospital beds be constructed in four new Florida hospitals to be built in Palm Beach County, Brevard County, Lee County, and an unspecified county in the Florida Panhandle area.

Representative Bill McCollum requested GAO to review the criteria used and the process followed in selecting an east central Florida VA hospital location in Brevard County rather than one in Orange County or Seminole County.

Background

District 12's June 1983 recommendations were based on VA's decentralized planning process. New hospital beds were to be located in areas throughout Florida having the greatest veteran demand and the least access to VA services. The District Planning Board developed its own methodology for site selection of new facilities without guidance from VA's central office.

The district's recommendations were used by VA's Chief Medical Director to request approval from the Administrator for advance planning of a new Brevard County hospital. Approval was obtained in May 1985. As of May 1986, specific project planning for a new east central Florida hospital had not yet been undertaken.

As agreed with Representative McCollum's office, GAO reviewed only the site selection activities involving the proposed new east central Florida hospital. GAO was not asked to determine whether such a hospital was needed to provide care to Florida veterans. (See ch. 1.)

Results in Brief

After reviewing available documents and speaking with VA officials, GAO concluded that the District Planning Board recommended Brevard County as a VA hospital site based on its "professional judgment," using data developed by district staff. The reasons for the selection and the data considered during the decision-making process were not fully documented. (See ch. 2.)

Moreover, GAO found a computational error and insufficient evidence in the data made available to Board members to support the Board's decision to locate a hospital in Brevard County. Most data considered by the Board members favored locating the hospital in the Orange/Seminole County area, which has a greater concentration of veterans, particularly

older and lower income veterans who typically are the greatest users of VA facilities. (See ch. 3.)

Principal Findings

Process for Selecting New Sites

VA central office officials did not provide guidance for siting new hospitals because they believed district officials were in a better position to know how to make these decisions. Central office officials stated that since the planning for new VA hospitals is a rare occurrence, they saw no need to spend time developing criteria that may not be used in the foreseeable future. (See p. 12.)

Criteria Cited by Chief Medical Director

Criteria were adopted by the District Planning Board to site new Florida VA hospitals. In July 1985, VA's Chief Medical Director informed Representative McCollum that in 1983 the Board applied six criteria in the east central Florida site selection process.

However, other VA district and regional as well as state health planners questioned the relevance of three of the six criteria mentioned by the Chief Medical Director for siting hospitals. These were the criteria pertaining to the number of county veterans involved in (1) emergency admissions to non-VA hospitals, (2) fee-basis visits to non-VA physicians, and (3) discharges from VA hospitals. A former VA District 12 planner, who was the primary developer of these three criteria, told GAO that they were intended for use in showing an entire area's (e.g., east central Florida's) accessibility to VA health care, but were not intended to be used in selecting a specific county location. (See pp. 9 and 16.)

Number of Veterans Served Within 75 Miles

A key criterion used in the site selection process was the number of new veterans that would be brought within 75 miles of the population centers of the counties under consideration for construction of a new hospital.

District 12 planning staff calculated that a Brevard County hospital would bring 253,410 veterans within a 75-mile radius while a hospital located in either Orange or Seminole County would bring 222,610 veterans within the same radius. However, GAO determined that the VA staff did not exclude from the Brevard County count veterans already within

75 miles of the planned Palm Beach County hospital. After adjusting for this computational error, GAO found that 222,610 veterans would be brought within 75 miles of a new hospital built in any of these counties. (See p. 25.)

As shown in table 1, more veterans were living within 20 to 50 miles of the population centers of Orange and Seminole Counties than Brevard County. (See p. 26.)

Table 1: Veterans Living Within 20-50 Miles of Three Florida Counties' Population Centers

	Veteran population brought within			
County	20 miles	30 miles	40 miles	50 miles
Brevard	48,320	48,320	48,320	194,010
Orange	134,400	152,180	152,180	254,250
Seminole	124,630	142,210	201,840	254,250

GAO believes that when data indicate that an equal number of veterans would be brought within the same number of miles of a proposed hospital location, data at lower mileage intervals should not be overlooked to determine which of the locations would bring more veterans closer to a VA hospital.

Other Data Favoring Orange/Seminole Counties

Other data examined by Board members favored Orange or Seminole County. Such data included the number of veterans 65 and older expected to be living in the areas by 1995, the number of county residents below the national poverty level, mileage veterans would save, and the counties' population density. (See pp. 22 and 29.)

Data Favoring Brevard County

The data that favored the Brevard County site were its greater distance from the nearest existing VA hospital in Tampa and its lesser effect on the operational efficiency of nearby VA hospitals by drawing away a smaller percentage of their inpatient workloads than would a hospital in Orange or Seminole County. (See p. 26.)

Recommendations

GAO recommends that the VA Administrator direct the Chief Medical Director to (1) require VA regional and district planners to document the rationale or basis for their hospital siting decisions and (2) suspend further planning for a Brevard County facility and reassess its siting decision for the location of a new east central Florida hospital based on the

matters discussed in this report. GAO recommends further that VA provide the results of its reassessment, including the rationale for its decision, to the House and Senate Veterans' Affairs and Appropriations Committees. (See pp. 19 and 32.)

Agency Comments

VA stated that it reviewed the criteria applied by its District Planning Board and determined they were appropriate using information available at the time. VA indicated a tentative decision has been made to provide design funds for a proposed Brevard County hospital in fiscal year 1990 and that a final decision will be made using 1986 demographic data and will recognize that a medical center will be built in Palm Beach County. VA said the results of its review would be provided to appropriate congressional committees. (See app. I.)

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Abbreviations

GAO	General Accounting Office
MEDIPP	Medical District Initiated Program Planning
PSA	primary service area
VA	Veterans Administration

Chapter 1

Introduction

In August 1985, Representative Bill McCollum requested that we review the process used and criteria considered by Veterans Administration (VA) officials in selecting locations to build new VA hospitals throughout Florida. He was particularly interested in the site selected for a hospital in the east central Florida area. In his view, an analysis of available data appeared to support the construction of a new VA inpatient facility in Orange or Seminole County rather than Brevard County—the site chosen by VA district officials and accepted by central office officials.

Background

As a result of the growth in the Florida veteran population, language accompanying Public Law 97-101 (enacted Dec. 23, 1981) directed VA to conduct a study at the medical district level[1] of the anticipated requirements for VA health care services and of the adequacy of the existing facilities to meet that demand. The study was to include a 30-year projection of the demand for VA health care services in Florida, an analysis of the need for expansion, and if necessary, a plan to carry out such expansion.

VA's study was based on information developed under its decentralized planning process referred to as Medical District Initiated Program Planning (MEDIPP). This grass roots planning process is based on the premise that local knowledge of demand, resource needs, and existing capabilities will result in more efficient services and better resource utilization than decisions based on planning directed by the VA central office in Washington, D.C.

When the study was completed, VA issued a December 2, 1982, report, A Thirty Year Study of the Needs of Veterans in Florida, which endorsed the need for 1,483 additional VA hospital beds by the year 2000. The report did not recommend locations for these additional beds. It did recommend, however, that beds "be located in areas having the greatest veteran population and the least access to VA services." The placement of the beds was to be based on further study of the shifts in veteran population.

Beginning in February 1983, Medical District 12 officials, with the later participation of District 10 officials, reexamined VA's hospital bed needs

[1]VA's health care is provided in 27 medical districts throughout the United States. Florida includes parts of two VA medical districts. Medical District 10 includes eight counties in the Panhandle area. Medical District 12 covers the rest of the state and includes Brevard, Orange, and Seminole Counties. The existing Florida VA medical centers are at Bay Pines, Gainesville, Lake City, Miami, and Tampa. (See fig. 2.1.)

in Florida. This effort identified the need for more hospital beds than identified in the December 1982 report. On June 3, 1983, District 12 issued Final Report on Future Bed Need and Potential Sites for New VA Hospitals in Florida. From 13 potential sites chosen for construction, the planners recommended 4 feasible county sites for construction of 1,525 hospital beds (in the following order of priority): Palm Beach County Brevard County, an unspecified county in the Florida Panhandle area, and Lee County.

District 12's June 1983 report did not recommend a county in the Panhandle area because under the MEDIPP process, District 10 was responsible for selecting that location. In September 1983, District 10 recommended that a new hospital be located in Fort Walton Beach in Okaloosa County.

On August 15, 1984, the VA Administrator approved (1) the inclusion of the Brevard County hospital in VA's fiscal year 1986 advance planning fund list to be sent to the Congress and (2) further detailed planning for the planned Brevard County facility. On May 8, 1985, the Administrator reaffirmed this decision by approving the request of VA's Department of Medicine and Surgery to proceed with planning activities for that facility.

In response to Representative McCollum's June 10, 1985, letter expressing concern that VA was planning to site a new hospital in Brevard County, VA's Chief Medical Director said six criteria were used to select a county location in the east central Florida area. In his July 12, 1985, letter to Mr. McCollum, the Chief Medical Director stated that the following criteria were applied equally and objectively to all potential Florida county sites in choosing the feasible sites.

1. County VA beneficiary application rates (a rate based on the number of veterans in a county who receive emergency hospital care in non-VA hospitals at VA expense for service-connected disabilities compared to the county's total veteran population).

2. County fee-basis visit rates (a rate based on the number of veterans in a county who are being treated on an outpatient basis by non-VA physicians compared to the county's total veteran population).

3. County discharge rates from VA hospitals (a rate based on the total number of county veterans discharged from other Florida VA hospitals compared to the county's total veteran population).

4. The number of new veterans within a theoretical primary service area (PSA)[2] brought within 75 miles of a proposed VA hospital.

5. Minimum PSA veteran population of 150,000 by 1995.

6. Minimum negative impact on use of existing VA medical centers by creation of the PSA to be served by the new hospital.

As of May 1986, VA advised us that specific project planning for a new hospital in east central Florida had not yet been undertaken. However, VA stated that its tentative schedule provides for design funds for a proposed new Brevard County hospital in fiscal year 1990.

Objectives, Scope, and Methodology

Because of Representative McCollum's concern over the criteria used and process followed in selecting an east central Florida hospital location in Brevard County rather than in Orange or Seminole County, we

- reviewed the manner in which VA's process for site selection was implemented in Medical District 12 to select a new hospital location in east central Florida and
- evaluated the criteria established and data examined to select Brevard County rather than Orange or Seminole County.

As requested by Representative McCollum's office, we reviewed only the site selection process involving the selection of Brevard County as the location for a new VA hospital in east central Florida. We did not examine the process as it was applied by District 12 officials in selecting locations in Palm Beach, Okaloosa, and Lee Counties for the three other planned VA hospitals in Florida. Finally, we were not asked to determine whether a new east central Florida hospital was necessary to provide care to Florida veterans by the year 2000. Therefore, the information discussed in this report should not be interpreted as supporting or rejecting the need for additional hospital beds in east central Florida.

Our review was performed primarily at the VA Medical District 12 offices in Gainesville, Florida. We discussed the site planning process with the district director and his planning staff. We also discussed the site selection criteria with a former District 12 planning staff member

[2]A theoretical PSA consists of counties whose population centers are closer to the population center of a proposed hospital site than to an existing VA medical center. For planning purposes, all veterans within a theoretical PSA would be treated at the proposed new facility.

who played a major role in the site selection process, which occurred between February and May 1983. The district planning staff (1) developed the site selection methodology for the 15-member District Planning Board's consideration and approval and (2) provided data upon which the final choice was made. Unless otherwise noted, the data presented in this report were those made available to District Planning Board members during their deliberations preceding the selection of Brevard County. We did not verify the accuracy of such data during our review.

Because available District 12 documentation of matters discussed in Board meetings did not contain the specific reasons for selecting Brevard County, we visited former Board members to discuss certain specific issues. In all, we spoke with 10 VA officials who were on the Board in the spring of 1983. Four of these persons were also on the five-member subgroup established by the Board to study both the need for and appropriate sites for hospital beds. At the time of our conversations with these individuals, nearly 3 years had elapsed since they began the site selection process. Accordingly, they had some difficulty in recalling details of specific meetings, including the data presented and the extent to which the data were considered and used.

We discussed the site selection process used in District 12 with health planners from District 10, the Southeast Region VA health planner in Birmingham, state of Florida planners in Tallahassee, and various local community hospital officials and health planners and obtained their views on the appropriateness of the District 12 site selection methodology.

We also met with representatives from the following veterans organizations, identified as members of the District 12 Veterans Review Group for Medical District Planning, to determine the extent to which the site selection process considered their views: Paralyzed Veterans Association of Florida; Jewish War Veterans; Veterans of Foreign Wars; American Legion; Division of Veterans Affairs, State of Florida; and AMVETS.

Our review was done from September 1985 through January 1986 in accordance with generally accepted government auditing standards.

Reasons and Data Used to Select Brevard County Location Not Fully Documented

VA's Medical District 12 did not fully document the reasons for selecting Brevard County as the site for a new hospital or the data considered in the decision-making process. The district director and the chairman of the Planning Board stated that the siting decisions were based on Board members' "professional judgment" using whatever data developed by the district planning staff seemed appropriate.

Neither VA central office staff nor MEDIPP manuals provided guidance to Medical District 12 for siting new VA hospitals. In the absence of such guidance, District 12 developed its own methodology for siting new hospitals. Applying the criteria it developed, the District Planning Board, with the assistance of District 10 officials, sited three hospitals and determined that a fourth should be located in one of three Florida Panhandle counties. District 10 later sited the hospital in Okaloosa County.

MEDIPP Process

In fiscal year 1981, VA established MEDIPP as a medical district-oriented planning process based on the belief that its medical districts had sufficient resources and were close enough to the ultimate consumer to accept this responsibility.

MEDIPP's objectives are to:

- Promote an equitable, integrated distribution of VA health care services.
- Provide district plans that are responsive to the health care needs of veterans within each service area.
- Foster more efficient services and better utilization of resources.
- Develop a statistical base for decision making.
- Enhance the linkage between program planning, budgeting, and construction planning.
- Establish a statement of district resource needs that can serve as the basis for developing the VA Department of Medicine and Surgery budget.

According to VA, the MEDIPP process identifies unmet and underserved veteran health care needs and develops recommendations to serve these needs. Medical districts use existing planning processes, techniques, and professional judgment in determining the needs for potential future facilities. Recommendations approved through the MEDIPP process are incorporated in operations plans as resources and system-wide priorities permit.

The District Planning Board is the principal committee responsible for MEDIPP planning at the district level. The Board is appointed by the district director from the clinical and administrative staff of the district's VA facilities. District 12's Board consisted of 15 members, 3 from each center in the district. Each Board is assisted by a district staff that includes health planners.

In 1983, when the District Planning Board began studying Florida's need for additional VA hospital beds and the sites for the beds, the MEDIPP manuals did not contain guidance on the criteria to be used for siting new VA hospitals. Further, VA officials stated that the VA central office staff did not provide verbal guidance because they believed the districts were better able to site individual hospitals. According to central office officials, this policy will continue in the future.

Although VA's policy is to have each medical district develop its own methodology for siting new hospitals, District 12's planner told us that central office guidance on criteria for siting new VA hospitals would have helped district planners. However, the planner for the Southeast Region and the District 10 acting planner stated that the districts should develop their own criteria since they are more familiar with the needs of their district's veterans. Since the planning for new VA hospitals is a rare occurrence, they added that they saw no need for VA to spend time developing criteria that may not be used often.

Site Selection Process Used in District 12

At its February 1983 meeting, the District 12 Planning Board adopted the principle that additional beds should be located in areas having the greatest veteran population and the least access to VA services. At the same time, the Board began to focus on how many additional beds were needed and where they should be placed.

The full 15-member Board initially split itself into two groups—one to study bed needs and another to study appropriate locations for the beds—and made plans to complete their review of these matters in September 1983. However, due to the possibility of including funds for a new hospital in the fiscal year 1986 budget, the VA Chief Medical Director directed District 12 to complete its studies by May 23, 1983. As part of the MEDIPP process, a 5-member subgroup (one from each center) was created in mid-March 1983 from the ranks of the 15-member Board to study both the needs and sites for beds. The subgroup's analysis and recommendations were adopted by the full Board.

At its mid-April 1983 meeting, the District 12 subgroup adopted the following criteria for selecting potential county sites for beds:

1. All existing VA medical centers should be considered for siting needed hospital beds.

2. Only counties with a minimum veteran population of 10,000 that are also part of a metropolitan statistical area should be considered.

3. Only counties whose population centers are at least 50 miles from an existing VA medical center should be considered. (This criterion was later modified to include counties within 50 miles of an existing VA medical center that also had a high-density veteran population.)

Thirteen counties in District 12 and the Panhandle area of District 10 met these criteria (see fig. 2.1) and were grouped as follows based on their proximity to each other:

- Bay County (Panama City), Escambia County (Pensacola), and Okaloosa County (Fort Walton Beach).
- Brevard County (Cocoa), Orange County (Orlando), Seminole County (Orlando), and Volusia County (Daytona Beach) in east central Florida.
- Duval County (Jacksonville).
- Lee County (Fort Myers) and Sarasota County (Sarasota).
- Leon County (Tallahassee).
- Palm Beach County (West Palm Beach) and Broward County (Fort Lauderdale).

The cities in parentheses are the largest metropolitan areas in or adjacent to the county.

Figure 2.1: Thirteen Florida Counties Chosen as Potential Locations for New VA Hospitals

To make the final site selections, we found evidence that the Board adopted the following criteria to be applied against each of the 13 potential county sites.

1. Inpatient hospital services should be available within 50 to 75 miles of between 80 and 90 percent of the district veteran population.

2. The PSA of a new hospital with primary and secondary services should include those counties that are closer to the proposed facility site than to existing VA hospitals.

3. The PSA of a new hospital should have a projected minimum veteran population of 150,000 by 1995.

4. New hospitals should be located at sites that would minimally disrupt the inpatient workloads of existing (or other planned) VA hospitals by drawing away as few patients as possible for treatment.

However, these site selection criteria were different than those mentioned by the Chief Medical Director in his July 12, 1985, letter to Representative McCollum. (See p. 9.)

We found that three of the six criteria identified by the Chief Medical Director were considered inappropriate by other VA district, regional, and state health planners for choosing a specific county location. These criteria were:

1. The number and rate of VA beneficiary applications by county for emergency hospital care for a service-connected disability.

2. The number and rate of fee-basis visits by county for veterans approved to visit non-VA physicians at VA expense for a service-connected disability.

3. The number and rate of veterans discharged by county from VA hospitals.

Data on these criteria relative to the east central Florida counties are presented in tables 2.1, 2.2, and 2.3.

Table 2.1: VA Beneficiary Applications for Emergency Non-VA Hospital Care

County	Applications[a]	County veteran population[a]	Rate per 1,000 veterans
Brevard County	357	44,520	8.02
Orange County	402	72,430	5.55
Seminole County	56	27,720	2.02

[a]Fiscal year 1981 data

Table 2.2: Fee-Basis Visits

County	Fee visits[a]	Rate per 1,000 veterans
Brevard County	12,505	150–300
Orange County	1,000–5,000	less than 150
Seminole County	1,000–5,000	less than 150

[a]Fiscal year 1982 data

Table 2.3: Veterans Discharged

County	Discharges[a]	County veteran population[a]	Rate per 1,000 veterans
Brevard County	620	44,650	14
Orange County	1,273	73,320	17
Seminole County	342	28,660	12

[a]Fiscal year 1982 data

A former VA District 12 planner, who was the primary developer of these criteria, stated that they were to be used to give an indication of an entire area's (e.g., east central Florida's) accessibility to VA health care, but not to select a county for a new hospital. The VA regional planner agreed that the VA beneficiary application and veteran discharge rates were too small to be used as the basis for selecting a county for a new hospital.

State health planners we spoke with stated that VA beneficiary application and fee-basis visit rates were not good criteria for siting hospitals. In their view, VA beneficiary applications should not be considered in building a hospital and the fee-basis rate is indicative of outpatient rather than inpatient need. However, it is important to recognize that outpatient care will be provided in any new east central Florida VA hospital. Additionally, the District 12 planner agreed with our observation that these two indicators were affected by a VA outpatient clinic in Orange County that had grown from nearly 48,000 outpatient visits in

1978 to 77,000 in 1983. Since most of the visits to the Orange County clinic are made by veterans living in the immediate area, both Orange and Seminole Counties' VA beneficiary totals and non-VA physician fee-basis visit totals were reduced substantially. This reduction caused Brevard County to be in a more favorable position with respect to these two indicators.

We could not determine to what extent these three criteria were used to site the VA hospitals. The Board's minutes did not show that these criteria were used for siting purposes; however, other records show that the Board preferred Brevard County because of one or more of these factors. Other Board members, including the chairman, stated that these criteria were not a significant factor in selecting a site.

The minutes of the District Planning Board's May 5-6, 1983, meeting, at which the subgroup's site selection locations were adopted, did not specify the reasons for the selection of or the data considered in choosing the final four hospital sites, including Brevard County. According to the minutes, the subgroup's decision was based on unspecified "distance and population factors as well as the potential impact on existing facilities." The district director and Board chairman agreed, noting that the Board's decisions on county site selections were based on the "professional judgment" of the Board members using whatever data developed by district planning staff that seemed appropriate for use in assessing site selection.

Conclusion

Under the MEDIPP process, district officials had to choose their own criteria for use in selecting specific sites to build VA hospitals. Certain criteria apparently used (VA beneficiary rates for emergency non-VA hospital care, fee-basis rates, and hospital discharge rates) in making the final site selections were not considered appropriate by other health planners. Other than these criteria, we believe the criteria used by VA were reasonable. However, other criteria might have been adopted by local officials with possibly different results. As long as VA's policy is to delegate responsibility for formulating such criteria to individual VA medical districts, the basis for siting new hospitals could vary significantly among VA medical districts.

The disclosure that District 12 officials chose Brevard County on the basis of their "professional judgment" without specifying which data elements were considered explains why no specific reasons for choosing Brevard County were mentioned in the Board's minutes. We recognize

that the professional judgment of VA officials is essential in such situations and that decisions of this magnitude are not made strictly on the basis of predetermined criteria that are agreed upon by all involved parties. In our opinion, however, the rationale for significant decisions at the VA medical district level, such as the siting of a new hospital, should be fully documented.

Recommendation to the Administrator of Veterans Affairs

We recommend that the Administrator direct the Chief Medical Director to require the VA regional and district planners to document the rationale or basis for their hospital siting decisions.

Agency Comments and Our Evaluation

In a May 16, 1986, letter and accompanying enclosure (see app. I) commenting on a draft of this report, the Administrator of Veterans Affairs said that VA had reviewed the criteria applied by District 12 officials and determined that the criteria were appropriate, using information available at the time. The Administrator commented that the District Planning Board's 1983 siting study determined that any one of four east central Florida counties would be a feasible site.

VA indicated that there were no formal criteria for siting a new VA medical center because the construction of a new facility (as contrasted to a replacement or renovation of an existing facility) occurs very infrequently. VA noted that the three criteria (see p. 16) that other VA district and regional as well as state health planners questioned as being appropriate for siting a hospital were valid indicators that veteran health care needs were not being adequately served. VA believed these criteria were appropriate because (1) VA must use community hospitals for emergency treatment if no VA facility exists or is near enough to provide appropriate care, (2) veterans must be served through VA's Fee Basis Program if a VA physician is not available, and (3) fewer than average discharges are made from VA hospitals for veterans residing in specific Florida counties. VA commented that planning for health care facilities is not a precise science and that different planners might use different criteria.

We agree that planning involves subjective judgments and that different criteria might be used. However, we continue to believe that the three indicators (VA beneficiary application rates, fee-basis visit rates, and veteran discharge rates) used by VA as criteria should be considered statistical evidence to show an entire area's, such as east central Florida's,

accessibility to VA health care rather than as criteria to select a specific county in which to locate a new hospital.

We believe the criticisms of the three criteria that are discussed in our report are valid—e.g., the VA beneficiary application and veteran discharge rates were too small to be used as a basis for selecting a county in which to locate a new hospital, the fee-basis rate was indicative of outpatient rather than inpatient need, and the beneficiary application and fee-basis rates were higher in Brevard County because veterans from Orange and Seminole Counties received a significant amount of care from a VA outpatient clinic in Orange County that provided about 77,000 outpatient visits in 1983. In addition, other Board members, including the Chairman, did not believe these criteria were a significant factor in selecting a hospital site.

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Chapter 3

Analysis of Data Affecting Selection of East Central Florida Site

As discussed in chapter 2, the minutes of the Board's May 5-6, 1983, meeting did not specify the data used to assess the Board's site selection criteria. In this chapter, we analyze the various data that were mentioned in documents involving the District 12 Planning Board's site selection activities. These data were included, for example, in presentations made by District 12 staff to veterans' organization groups and congressional staffs. Our comments focus on the selection of a hospital site in east central Florida.

Our analysis of these data showed that

- many more veterans would be brought within 40 miles of a new hospital built in either Orange or Seminole County rather than Brevard County, but
- a hospital in Brevard County would draw away a smaller percentage of inpatients from the inpatient workload of other nearby VA hospitals than a hospital in Orange or Seminole County and thereby have the least disruptive effect on the operational efficiency of these VA hospitals.

Population Data

To help the Planning Board determine what areas in Florida would improve accessibility to inpatient care for the most veterans, the district planning staff developed various population data projected to 1995.

Among the data provided by district staff and considered by the Board were projections of the 1995 veteran populations in the three counties. In addition, since according to District 12 officials, veterans 65 years of age and older use VA facilities at four times the rate of other veterans, the Board considered projections of the number of elderly veterans in each county. For comparative purposes, we calculated the number of veterans projected for the county PSAs in 1995 using the same data sources.[1] All these projections are shown in table 3.1.

Table 3.1:Veteran Population Projections for 1995 for the Three Florida Counties and Their PSAs

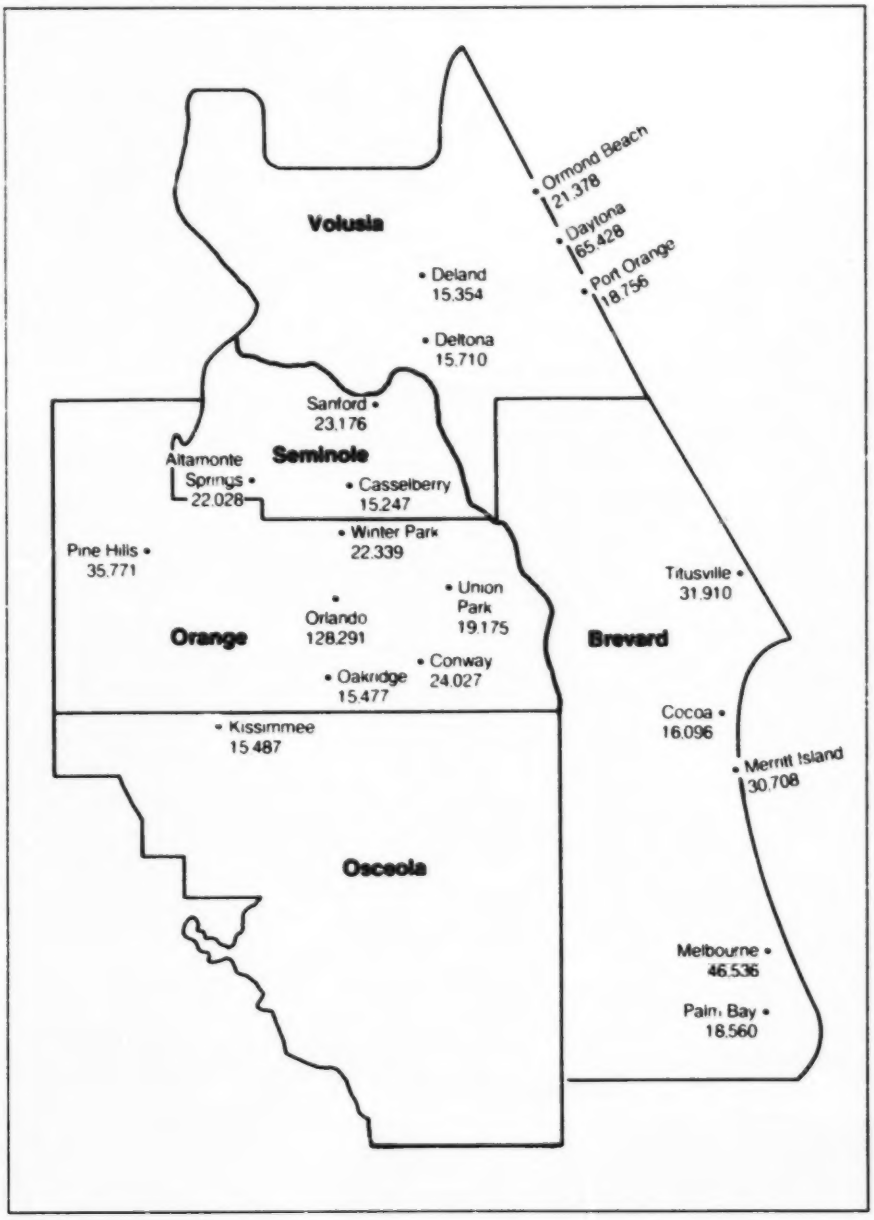
	Counties			County PSAs		
	Brevard	Orange	Seminole	Brevard	Orange	Seminole
All veterans	48,320	85,700	38,930	243,670	256,250	256,250
Elderly veterans (age 65 and older)	21,561	32,540	13,286	103,151	111,323	111,323

[1]PSA veteran populations calculated by VA staff before the siting of the Palm Beach medical center were 277,190 veterans for the Brevard County PSA, 287,050 veterans for the Orange County PSA, and 287,050 veterans for the Seminole County PSA. The PSA veteran populations we calculated excluded veteran populations of counties that should be included in the Palm Beach PSA.

Our analysis of the relative population density of veterans expected in 1995 for each of the three counties indicated that Seminole County was expected to have over 2-1/2 times as many veterans per square mile as Brevard County (131 vs. 49) and Orange County nearly 2 times as many veterans per square mile as Brevard County (94 vs. 49).

Health professionals at private hospitals and state of Florida health planners told us that a hospital's effectiveness is maximized by placing it in an area with the greatest concentration of people. In this regard, the VA Southeast Regional Director appeared to support this view when testifying at March 1985 hearings before the Subcommittee on Hospitals and Health Care, House Committee on Veterans' Affairs. When referring to the placement of a hospital in the Florida Panhandle area, he stated, "the closer we could build the Florida facility to the epicenter . . . the closer we could bring the service to a larger number of veterans." Population data show that the greatest concentration of people in east central Florida is in the Winter Park area, close to the Orange County-Seminole County line. (See fig. 3.1.)

Figure 3.1: Cities With Populations of 15,000 or More in East Central Florida Counties (Per 1980 Census)



Veterans Brought Within 75 Miles of County Sites

Another set of data originally developed by district staff was the number of veterans projected to be brought within 75 miles of the respective population centers by 1995 for each of the 13 potential PSAs throughout Florida, including Brevard, Orange, and Seminole Counties. Most Board members we interviewed agreed that this was a key criterion in the selection process. Our review of these data disclosed that each of the 13 theoretical PSAs had certain counties that overlapped with another PSA; as a result, certain county veteran populations were counted in more than one PSA. This could not be avoided during the initial planning process because there was no basis at that time for determining which of the PSAs would ultimately be given the responsibility, for planning purposes, for providing care to veterans in each county.

The district planning staff's May 2-3, 1983, report to the Board's subgroup for bed need and allocation indicated that (1) 253,410 veterans would be brought within 75 miles of the Brevard County PSA and (2) 222,610 veterans would be brought within 75 miles of each of the Orange County and Seminole County PSAs. At its May 5-6, 1983, meeting, the Board concurred with the subgroup's analysis (including the number of veterans to be brought within 75 miles of the various county site locations) and recommendations and unanimously adopted Palm Beach and Brevard Counties as the first two sites for new hospitals in Florida. However, Palm Beach County was selected as the site for the first hospital to be constructed, and Brevard County received second construction priority. Thus, Brevard County's PSA should have been changed with the siting of a hospital in Palm Beach County.

The Brevard County PSA population count before the siting of Palm Beach County included 277,190 veterans from Brevard, Indian River, Martin, Okechobee, Orange, Osceola, Seminole, St. Lucie, and Volusia Counties. In arriving at the number of veterans that would be brought within 75 miles of the Brevard County site, the district planning staff subtracted from the Brevard County PSA population, the veteran population for Martin County (14,010 veterans) because it was not within 75 miles of Brevard County and Osceola county (9,770 veterans) because it was within 75 miles of an existing VA medical center in Tampa. We discovered that three additional counties—Indian River, Okechobee, and St. Lucie—whose total veteran population was 30,800, should also have been eliminated from the Brevard County PSA population because they would be within a 75-mile radius of the Palm Beach County facility that would be operational before the Brevard County hospital. In fact, two of the counties, Okechobee and St. Lucie, are in Palm Beach's PSA.

After eliminating the veteran populations in the Brevard, Orange, and Seminole PSAs that would already be within 75 miles of an existing or planned VA hospital, we found that all three counties' PSAs would bring 222,610 veterans within a 75-mile radius of a new VA hospital. However, as shown in table 3.2, many more veterans—currently not within 50 miles of a medical center—would be brought closer to a VA hospital built in Orange or Seminole County rather than Brevard County. Similarly, more veterans would be brought within 20, 30, and 40 miles of a VA hospital in Orange or Seminole County compared to Brevard County.

Table 3.2: Veterans Brought Within 20-75 Miles of Facilities in the Three Counties

	Veteran population brought within				
County	**20 miles**	**30 miles**	**40 miles**	**50 miles**	**75 miles**
Brevard	48,320	48,320	48,320	194,010	222,610
Orange	134,400	152,180	152,180	254,250[a]	222,610[a]
Seminole	124,630	142,210	201,840	254,250[a]	222,610[a]

[a]The 31,640 veterans from Lake, Osceola, and Sumter Counties are 69, 68, and 58 miles, respectively, from the closest existing VA medical center in Tampa (measured from these counties' population centers to the Tampa medical center). After the construction of a hospital in either Orange or Seminole County, these 31,640 veterans would be within 50 miles of a new hospital in either county. For planning purposes, the 31,640 veterans should not be counted as veteran population brought within 75 miles of Orange or Seminole County for care because they would already be within 75 miles of the existing Tampa medical center. However, at the 50-mile distance these same veterans would be counted in both the Orange and Seminole County veteran populations because the 31,640 veterans would be within 50 miles of Orange and Seminole County but not within 50 miles of the Tampa medical center.

The District 12 planner agreed with the adjustment we made to the number of veterans that would be brought within 75 miles of a Brevard County hospital. All the other estimates in table 3.2 were made from VA data and were available to the planning staff and the Board at the time of their decision.

Effect on Use of Existing VA Hospitals

One of the final site selection criteria adopted by the Board concerned the effect new VA hospitals would have on reducing the inpatient workload of existing VA facilities. The Board wanted to minimize the effect on an existing hospital's workload in order to maintain that facility's efficiency.

The VA hospitals that are closest to veterans in Brevard, Orange, and Seminole Counties are the Gainesville and Tampa medical centers. Table 3.3 shows the distance from the population centers of these counties to those two medical centers. Mileage calculations were made by VA district staff.

Table 3.3: Mileage From the Three Counties to the Closest VA Medical Centers

Population center in	Miles from VA medical center at Gainesville	Tampa
Brevard County	138	108
Orange County	96	75
Seminole County	91	84

Several Board members were particularly concerned about the effect a VA hospital in Orange County would have on the Tampa facility.

As the data in table 3.4 indicate, the least effect on the workload of either the Tampa or Gainesville medical centers would occur if a hospital were built in Brevard County.

Table 3.4: Percentage of Veterans Discharged From Gainesville and Tampa VA Medical Centers to Brevard, Orange, and Seminole PSAs

VA medical center	Brevard PSA	Orange PSA	Seminole PSA
Gainesville	13.2	20.3	20.3
Tampa	14.2	14.7	14.7

Regarding the effect on the Tampa medical center, the difference in the percentage of veterans discharged among the three county PSAs would be negligible. In addition, there was an apparent need for more hospital beds at the Tampa medical center. In fact, information contained in the district planning staff's May 2-3, 1983, report to the Board's subgroup for bed need and allocation indicated that a 200-inpatient bed addition to the Tampa medical center had been proposed in the facility's 5-year MEDIPP plan.

The impact on the Gainesville medical center would be more significant if a new hospital were built in Orange or Seminole County. The 7-percent difference between both those counties' PSAs (20.3 percent) and the Brevard County PSA (13.2 percent) favored Brevard County as the more appropriate location to build a hospital based on the impact of utilization of existing nearby VA hospitals. However, district VA planners agreed that the impact caused by veterans from the Orange County and Seminole County PSAs discontinuing their care at Gainesville would be lessened by

- the expected increase in veteran population by 1995,
- the increasing number of elderly veterans who would require more hospitalization, and

- the increased number of veterans who need care but believe such services are not available in the area and do not seek such services from VA (suppressed demand).

These same factors would similarly affect the future workload of the Tampa medical center.

During our review several VA regional and district officials, including the VA Southeast Regional Director, said they preferred Brevard County as the site for a new hospital because veterans who live in Orange and Seminole Counties already have access to the VA health care system through the Orlando outpatient clinic. In Brevard County, there are no inpatient or outpatient VA facilities; care to eligible veterans can be provided by non-VA physicians through contractual arrangements with private physicians. These officials told us that VA physicians at a VA clinic can admit patients to VA hospitals without the need for additional screening examinations. Private non-VA physicians, on the other hand, cannot admit veterans directly into VA hospitals.

Whereas the above-mentioned regional and district officials viewed the Orlando clinic as a negative factor in placing a new hospital in Orange County, other VA officials did not. These other officials believed that the clinic showed a demand for services in the area. At the same time, they recognized that an outpatient clinic cannot provide the same types of services as a hospital.

County Residents Below National Poverty Level

Our review found that U.S. census data on individuals with income below the poverty line were considered in the District 12 subgroup's deliberations. Such information is important to health planners because they agree that the primary users of VA hospitals are veterans who can least afford private hospitalization. Veteran income data were not available on a county basis, but VA planners agree that overall county census data will give some indication of the income level of county veterans.

Census data showed the following number of individuals living below the national poverty level in 1980:

- 26,000 persons in Brevard County.
- 60,000 in Orange County.
- 16,000 in Seminole County.

Relative Degree of Improved Accessibility

To measure the potential improvement in access to health care for the veteran population in each of the 13 original PSAs, District 12 planners developed an access index. This index measured the mileage veterans would save if a hospital were placed in the population center of a particular county. The higher the PSA index, the greater potential improvement in access for the PSA's veteran population. However, we found that this index was never calculated by district staff to exclude those counties from the Brevard, Orange, and Seminole PSAs that should have been included in the Palm Beach PSA.

The index is calculated for each county in the respective PSAs by determining

- the distance from the nearest existing VA hospital to the county's population center,
- the distance from the population center in the county in which the new hospital might potentially be sited to the population center of the county,
- the difference in these distances, and
- the estimated 1995 veteran population.

The difference in distances is then multiplied by the veteran population to measure the relative degree of improvement in access for the veteran population in each PSA county. The product of these factors is divided by 1,000 to produce an access index for each county. The counties' indexes are added to produce the PSA access index.

As shown in table 3.5, we determined that the access index was 11,382 for the Brevard County PSA, 15,478 for the Orange County PSA, and 15,372 for the Seminole County PSA. This means that if each veteran in the respective PSAs made one trip to the PSA hospital per year, veterans would save about 4 million miles in distance traveled if the hospital were placed in Orange or Seminole County instead of Brevard County. This index gives some indication of the mileage savings that could be achieved. At the same time, it is important to understand that it is used for planning purposes and not every veteran is going to make an annual hospital visit.

Table 3.5: Access Indexes for the Three Counties' PSAs

PSA counties	(1) Distance from nearest hospital (miles)[a]	(2) Distance from potential site	(3) Difference[b]	(4) Veteran population in 1995	(5) Access index[c]
Brevard County PSA:					
BREVARD	108/T	0	108	48,320	5,219
Indian River	125/T	47	78	11,290	881
Orange	75/T	46	29	85,700	2,485
Osceola	68/T	41	27	9,770	264
Seminole	84/T	47	37	38,930	1,440
Volusia	84/G	62	22	49,660	1,093
Total				**243,670**	**11,382**
Orange County PSA:					
ORANGE	75/T	0	75	85,700	6,428
Brevard	108/T	46	62	48,320	2,996
Flagler	69/G	64	5	2,000	10
Lake	69/T	28	41	17,780	729
Osceola	68/T	20	48	9,770	469
Seminole	84/T	12	72	38,930	2,803
Sumter	58/T	44	14	4,090	57
Volusia	84/G	44	40	49,660	1,986
Total				**256,250**	**15,478**
Seminole County PSA:					
SEMINOLE	84/T	0	84	38,930	3,270
Brevard	108/T	47	61	48,320	2,948
Flagler	69/G	52	17	2,000	34
Lake	69/T	28	41	17,780	729
Orange	75/T	12	63	85,700	5,399
Osceola	68/T	31	37	9,770	361
Sumter	58/T	46	12	4,090	49
Volusia	84/G	32	52	49,660	2,582
Total				**256,250**	**15,372**

[a]"T" represents the Tampa medical center and "G" represents the Gainesville medical center.

[b]Column 1 minus column 2.

[c]Column 3 times column 4 divided by 1,000.

Conclusions

In our opinion, data mentioned in minutes of Planning Board meetings, slide presentations to veterans' organizations and congressional staffs, and other documents relating to the District 12 site selection that were considered by Board members did not support the selection of Brevard County as the site of a new VA hospital in east central Florida. When weighted equally, these data generally favored Orange or Seminole County rather than Brevard County.

We believe that improved accessibility to a VA hospital by the greatest number of veterans is the primary objective to achieve in siting a new hospital. Health planners contacted during our review agreed that hospitals should be located in areas where the population is centered. In this regard, a computational error made by the district planning staff that was undetected when the Board selected the final four Florida sites indicated that nearly 31,000 more veterans—currently not within 75 miles of a VA hospital—would be brought within a 75-mile radius of a Brevard County hospital than a hospital in either Orange or Seminole County. When the error was corrected, the same number of veterans were brought within 75 miles of a new hospital regardless of which of the three counties it was built in.

In our opinion, when data indicate an equal number of veterans would be brought within the same number of miles of a proposed hospital, data at lower mileage intervals should be considered in order to determine which of the locations would bring more veterans closer to a hospital. This is especially important in this instance due to the disparity in the number of veterans to be served. The fact that a VA hospital in Orange or Seminole County would bring 3 to 4 times as many veterans within 30 or 40 miles of a VA hospital than a hospital in Brevard County should not be overlooked.

The factors that favor placing a hospital in Brevard County are its (1) greater distance compared to other proposed locations from an existing VA hospital and (2) lesser impact on the workloads of other existing VA hospitals. However, the higher impact on existing VA hospitals' workloads if a hospital were built in either Orange or Seminole County could be offset by future demand from more veterans.

Recommendation to the Administrator of Veterans Affairs

We recommend that the Administrator direct the Chief Medical Director to suspend further planning for a hospital in Brevard County and reassess its siting decision for the location of a new east central Florida hospital based on the matters discussed in this report. Further, we recommend that VA provide the results of its reassessment, including the rationale for its decision, to the House and Senate Veterans' Affairs and Appropriations Committees because of the future need for congressional authorization and funding for this hospital.

Agency Comments and Our Evaluation

In his May 16 letter, the VA Administrator stated that VA has not yet undertaken specific project planning for construction of a new hospital in east central Florida. VA stated that its tentative schedule provides for design funds for the proposed new Brevard County hospital in fiscal year 1990. However, VA agreed, as part of its normal planning process, to update the data used to make its original siting decision with April 1986 demographic data. This updated data base, together with the fact that a firm decision has now been made to site a medical center in Palm Beach County, will be carefully reviewed before a final decision is made. VA agreed to notify the appropriate congressional committees of the results of its review.

The VA Administrator stated in the enclosure to his May 16 letter that each potential Florida county site was studied independent of the other county sites. VA said it did this because it was impossible to predict which of the 13 potential sites would be the location of the first hospital. In the Administrator's opinion, the District Planning Board's June 1983 Final Report of Future Bed Need and Potential Sites in Florida served the purpose of identifying several potential sites in need of a hospital. As a result of the independent analysis for these 13 potential primary service areas (PSAs), which did not take into consideration other potential PSAs and the veteran population each would serve, the Administrator said he did not believe there were computational errors regarding the number of veterans to be served.

We recognize, as the Administrator indicated, that certain of the 13 potential PSAs had counties that overlapped with another PSA. County veteran populations were therefore counted in some instances in more than one PSA, and this situation could not be avoided during the initial planning phase. However, we believe a computational error occurred when the district planning subgroup selected Palm Beach County as having the highest construction priority and did not adjust the other potential PSAs for the overlapping in the veterans population that had

occurred during the planning process. When the district planning staff submitted the veteran population data for the 13 potential PSAs to the district planning subgroup, each of the 13 PSAs had certain counties that overlapped with another PSA. However, as discussed on pages 25 and 26, the district planning subgroup, after selecting Palm Beach County for the first new VA hospital site in Florida, should have adjusted downward the other potential PSAs' veteran populations (including the Brevard, Orange, and Seminole PSAs) for those veterans already within 75 miles of the planned Palm Beach County site.

Although the Administrator disagrees with us on the issue, the fact that VA has made a firm decision to build a Palm Beach County hospital means that VA's reevaluation of the east central Florida siting decision will have to recognize the duplicate counting of veteran populations and exclude veterans from the Brevard County PSA that would be within 75 miles of the Palm Beach County hospital.

In commenting on our draft report, VA stated that our use of lesser mileage figures (20, 30, 40, or 50 miles) to determine the number of veterans to be served would probably have resulted in more than four new medical centers being proposed. The tables on pages 4 and 26 of our report were not meant to question the 75-mile distance factor developed by district planning staff. Rather, these tables show how many veterans would be brought within 20 to 75 miles of hospitals located at the population centers of Brevard, Orange, and Seminole Counties. Because the number of veterans within 75 miles of a facility proposed for construction in Brevard, Orange, or Seminole County was the same, we believe that the number of veterans within 20 to 50 miles of each location would be useful in determining which location would be closest to the greatest number of veterans.

In commenting on our finding that certain data examined by Board members favored Orange or Seminole Counties over Brevard County, VA stated that

"If the study is viewed in the light of its purpose, the criteria used (not criteria suggested by GAO), and the independence of the sites evaluated, the conclusions drawn by the medical district are proper. Granted, other data, not part of the established criteria, do favor counties other than Brevard, but the criteria agreed upon were applied equally to each theoretical PSA. Other factors that were not part of the official criteria were evaluated under the heading 'professional judgment.' In the final analysis, when all the objective data and subjective information were evaluated and professional judgment applied, the decisions made were proper."

Although we recognize the need for professional judgment in the decision-making process, there was little documentation available for us to evaluate the basis or support for the decision to construct in Brevard County. In the absence of documentation to support the decision, we continue to believe that (1) some criteria VA used for selecting a specific site were inappropriate and (2) data considered by Board members do not support Brevard County as the site for a new VA hospital.

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Advance Comments From the Veterans Administration

Office of the Administrator of Veterans Affairs

Washington DC 20420

Veterans Administration

MAY 16 1986

Mr. Richard L. Fogel
Director, Human Resources Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Fogel:

This responds to your request that the Veterans Administration (VA) review and comment on the General Accounting Office (GAO) April 8, 1986 draft report "VA HEALTH CARE: Insufficient Support for Brevard County Location for New Hospital."

GAO recommended that I direct the Chief Medical Director to suspend further planning for a hospital in Brevard County and reassess the siting decision for the location of a new east central Florida hospital based on the matters discussed in this report. GAO further recommended that VA provide the results of its reassessment to the House and Senate Veterans' Affairs and Appropriations Committees because of the future need for congressional authorization and funding for this hospital.

The Department of Medicine and Surgery (DM&S) has reviewed the criteria applied and determined they were appropriate, using information available at the time. The Board's 1983 siting study, which was based on 1982 demographic data, determined that any one of the four counties in the east central Florida primary service area (PSA) would be a feasible site.

The VA has not yet undertaken specific project planning for construction of a new hospital in east central Florida. The tentative schedule provides for design funds for a proposed new hospital in Brevard County in Fiscal Year 1990. However, as a part of the normal planning process, the 1982 demographic data on which the original siting decision was based will be updated with April 1986 demographic data. This updated data base, together with the fact that a firm decision has now been made to site a medical center in Palm Beach

County, will be carefully reviewed prior to a final decision. The Agency will promptly notify the appropriate Congressional committees of the results of this review.

Additional comments on several portions of the report text are enclosed.

Sincerely,

THOMAS K. TURNAGE
Administrator

Enclosure

ENCLOSURE

COMMENTS ON THE GAO APRIL 8, 1986 DRAFT REPORT
"VA HEALTH CARE: INSUFFICIENT SUPPORT FOR BREVARD
COUNTY LOCATION FOR NEW FLORIDA HOSPITAL"

Now on p. 3.

In PRINCIPAL FINDINGS (page 3), under "Process for Selecting New Sites," GAO states "VA central office officials did not provide guidance for siting new hospitals ...."

No formal criteria for siting a new VA medical center exist because it occurs very infrequently. The foundation for planning new facilities, the Medical District Initiated Program Planning (MEDIPP) process, identifies unmet and underserved veteran health care needs and develops recommendations to serve those needs. The medical districts use existing planning processes, techniques, and professional judgment in determining the need for potential future VAMC's. Recommendations submitted and approved through the MEDIPP process are incorporated in operations plans as resources and systemwide priorities permit. The statement on page 15, "MEDIPP is a process that generates a 5-year planning document," should be corrected.

Now on p. 12.

Now on p. 3.

Also in PRINCIPAL FINDINGS, page 3, there is mention that "... other VA district and regional as well as state health planners questioned the relevance of three of the six criteria mentioned by the Chief Medical Director for siting hospitals."

The three criteria in question, developed through the MEDIPP process, are valid indicators that current veteran health care needs are not being adequately served. The reasons these criteria are appropriate are: (1) the VA must use community hospitals for emergency treatment if no VA facility exists or is near enough to provide appropriate care, (2) veterans must be served through the Fee Basis Program in lieu of seeing a VA physician, and (3) there are fewer than average discharges from VA hospitals for veterans residing in specific counties. These factors demonstrate that veterans are not receiving appropriate levels of care in the most efficient, cost-effective manner and support the VA's position that additional VAMC's are needed in closer proximity to counties with high numbers of underserved veterans.

Planning for health care facilities is not a precise science with known formulae for all possible contingencies. In hindsight, other planners might use different criteria. The professional planners, and medical district executives reviewing the planners' work, consistently applied reasonable, agreed-to criteria to all theoretical sites under consideration.

Now on p. 3.

In the PRINCIPAL FINDING (page 4), "Number of Veterans Served Within 75 Miles," GAO states a computational error was made in determining the number of veterans that would be in the theoretical primary service area of a VAMC sited in Brevard County.

2.

Each potential site covered in the Final Report of Future Bed Need and Potential Sites in Florida was studied independent of other potential sites. This was done because it was impossible to predict which of the sites identified would be the first to be built. The purpose of the report was to identify several potential sites in need of a VAMC. The report served this purpose. Due to this independence, each site had its own PSA which did not take into consideration other potential sites' PSA's and the veteran population each would serve. There were no computational errors made.

At the time that Medical District 12 (MD#12) prepared its report, no decision had been made to site a VAMC in Palm Beach County. Now that the decision has been made to proceed with the planning for a VAMC in Palm Beach County, the VA will ascertain where an additional VAMC is needed in light of the Palm Beach decision.

The suggestion to use a lesser mileage (20, 30, 40, or 50 miles) to determine the number of veterans to be served does not recognize that if a lesser distance were used, more than four new VAMC's would probably have been proposed. The 75 mile distance factor, as developed by MD#12, is far less than the distances between most medical centers in the VA system. As such, lesser mileage distances should not be considered.

Now on p. 4.

The PRINCIPAL FINDING (page 5), "Other Data Favoring Orange/Seminole Counties," cites data, examined by Board members, that favored Orange or Seminole Counties over Brevard.

If the study is viewed in the light of its purpose, the criteria used (not criteria suggested by GAO), and the independence of the sites evaluated, the conclusions drawn by the medical district are proper. Granted, other data, not part of the established criteria, do favor counties other than Brevard, but the criteria agreed upon were applied equally to each theoretical PSA. Other factors that were not part of the official criteria were evaluated under the heading "professional judgment." In the final analysis, when all the objective data and subjective information were evaluated and professional judgment applied, the decisions made were proper.

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